

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
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FISCAL IMPACT STATEMENT

LS 8004

BILL NUMBER: SB 508

DATE PREPARED: Jan 18, 2001

BILL AMENDED:

SUBJECT: Financial Responsibility for Drivers.

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FUNDS AFFECTED: X GENERAL
X DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill provides that a court may grant a restricted driving permit to a petitioner who failed to provide proof of financial responsibility after an accident or conviction of a motor vehicle violation if the petitioner shows by a preponderance of the evidence that the petitioner had good cause for failure to maintain financial responsibility. (Under current law the petitioner is required to show only that the failure was inadvertent.)

The bill also provides that the Bureau of Motor Vehicles (BMV) may establish a driving record for an unlicensed driver under certain circumstances. The bill provides that a person who operates a motor vehicle with a suspended license less than ten years after judgment was entered for a prior violation of driving with a suspended license commits a Class A misdemeanor. It provides that a person who operates a motor vehicle without financial responsibility less than five years after judgment was entered for a prior conviction for operating a vehicle without financial responsibility commits a Class D felony. The bill provides that the fee for reinstatement of a driving license after suspension for failure to have financial responsibility is \$500 for the first suspension, \$1,000 for a second suspension, and \$2,500 for a third or subsequent suspension. It makes conforming amendments.

Effective Date: January 1, 2002.

Explanation of State Expenditures: For the BMV, there will be computer expenditures to implement the provisions of this bill. These can be accomplished in-house and will therefore be part of the BMV current budget.

Penalty Provision: Under current law, a person who is convicted for a second time of this offense would still be committing a Class A infraction. Under this bill, offenders operating a motor vehicle without financial responsibility less than five years after judgment was entered for a prior conviction for operating a vehicle without financial responsibility would be committing a Class D felony.

State expenditures could increase if an offender is incarcerated in a state prison. A Class D felony is punishable by a prison term ranging between six months to three years or reduction to Class A misdemeanor. The period of incarceration will depend upon mitigating and aggravating circumstances. The average expenditure to house an adult offender was \$20,700 in FY 1999. Individual facility expenditures ranged from \$14,936 to \$37,807. (This does not include the cost of new construction.) If offenders can be housed in existing facilities with no additional staff, the average cost per offender for medical care, food, and clothing is approximately \$1,825 annually, or \$5 daily. The average length of stay in Department of Correction (DOC) facilities for all Class D felony offenders is approximately ten months.

Explanation of State Revenues: The proposal provides for an increase in the Reinstatement Fee based on the table below.

	<u>Current Law</u>	<u>Proposed</u>	<u>Difference</u>
First Suspension	\$150	\$500	\$350
Second Suspension	\$225	\$1,000	\$775
Third Suspension	\$300	\$2,500	\$2,200

In FY 2000, revenue generated from reinstatement fees totaled \$377,757 and was deposited into the Reinstatement Fund of the BMV. With the new fee amounts, annual revenue will increase by an estimated \$1.5 M. This is based on the assumption that the revenue generated under the current fee structure is evenly divided among the fee levels.

Penalty Provision: This bill potentially increases revenue to the Common School Fund, but it could also reduce revenue that is deposited in the state general fund. This is because fines from felonies are deposited in the Common School Fund while infraction judgements are deposited in the state General Fund. Currently, the maximum judgment for a Class A infraction is \$10,000, which is deposited into the state General Fund. The maximum fine for a Class D felony is \$10,000, which is deposited into the Common School Fund. Besides the issuance of fines, the sentencing court may assess a court fee if a guilty verdict is entered. The court fee for an infraction is \$70, while the court fee for a felony is \$120. The state receives 70% of the court fee that is assessed when a guilty verdict is entered and the fee is collected in a court of record and 55% if a case is filed in a city or town court.

Explanation of Local Expenditures: *Penalty Provision:* Local expenditures could increase if offenders are incarcerated in local jails while serving a sentence, awaiting trial, or being transported to DOC facilities instead of being only fined. A Class A misdemeanor is punishable by up to one year in jail. The average daily cost of housing an offender in jail is reported to be \$44. There is no term of imprisonment for an infraction.

Explanation of Local Revenues: *Penalty Provision:* Local governments could receive additional revenues from any court fees that are collected for cases that were infractions and are now felonies. 27% of court fees that are collected are deposited in the county general fund when a guilty verdict is entered for a misdemeanor. Cities and towns maintaining a law enforcement agency that prosecutes at least 50% of its ordinance violations in a court of record may receive 3% of court fees. From city and town courts, the county general fund receives 20% of the court fee, while the city or town general fund receives 25%.

State Agencies Affected: Bureau of Motor Vehicles; Department of Correction.

Local Agencies Affected: Trial courts, local law enforcement agencies.

Information Sources: BMV data on reinstatement fees for FY 2000; Indiana Sheriffs Association; Department of Correction.